



United States Department of the Interior

OFFICE OF THE ASSISTANT SECRETARY
POLICY, MANAGEMENT AND BUDGET
Washington, DC 20240



DEC 21 2005

Memorandum

To: Solicitor
Assistant Secretaries
Bureau Directors
Policy, Management and Budget Office Directors

From: Scott J. Cameron *sjc*
Deputy Assistant Secretary- Performance, Accountability, and Human Resources

Subject: YEAR 2006 FEDERAL ACTIVITIES INVENTORY REFORM (FAIR)
ACT INVENTORY PREPARATION AND SUBMISSION GUIDANCE
Due Date: March 31, 2006

The FAIR Act directs the head of each executive agency to submit to the Office of Management and Budget (OMB), a list of FTE's performing both commercial and inherently governmental functions by June 30 of each year.

To date, we have not yet officially received the annual FAIR Act inventory guidance from OMB, but in order to meet the June 30 statutory deadline, work must begin in collecting and compiling inventory data based upon this DOI guidance.

The major change this year is the attached revised function code definitions. The inter-bureau Competitive Sourcing/Procurement Team worked together to write function code definitions that accurately reflect DOI missions. Also attached is a DOI function code crosswalk which explains the relationships of the new function codes to the old ones.

Attached is an optional form for use in completion of inherently governmental and commercial reason code A justifications. Since several bureaus have already written justifications for this year, the form is being introduced as optional. Prior to next year's inventory data call, the team will agree on a standard format.

Please submit your Year 2006 FAIR Act inventories (i.e., FAIR Act inventory of commercial activities and a listing of inherently governmental positions including the information requested in the attached Departmental Instructions including justifications for all FTE as inherently governmental or reason code A) to the Center for Competitive Sourcing Excellence (CCSE) by Friday, March 31, 2006. This should allow sufficient time for comprehensive Departmentwide inventory review, analysis, and as appropriate,

for Competitive Sourcing Excellence (CCSE) by Friday, March 31, 2006. This should allow sufficient time for comprehensive Departmentwide inventory review, analysis, and as appropriate, revision prior to agency inventory submission to OMB. With your continued cooperation and assistance, we will once again meet the statutory deadline.

Allow me to reiterate that the FAIR inventory is not the same thing as a competitive sourcing plan. Just because a FTE is coded as commercial in nature, it does not necessarily follow that the FTE in question will become part of a competitive sourcing study. Indeed, for a commercial code A FTE, involvement in a competitive sourcing study would be quite unlikely.

As a reminder, prior to submission to the CCSE, it is important that your organization's inventory submission undergo a rigorous and thorough review by a bureau team of functional experts in multiples disciplines, e.g., budget, finance, performance management, human resources, and acquisition.

Memoranda transmitting the inventories should be signed by the Bureau or Office Director and routed to me through your Assistant Secretary. Please also submit your inventory response electronically in the specified MS Excel reporting formats to Dan Ertel in the CCSE office at Daniel_Ertel@ios.doi.gov.

If you have any questions, please contact Donna Kalvels, Director, Center for Competitive Sourcing Excellence on 202-219-0727 or Dan Ertel, Senior Analyst-Contractor, on 202-208-6704. An electronic copy of this guidance is being provided to the Competitive Sourcing/Procurement Team membership.

Attachments (available on www.doi.gov/perfmgt/competitivesourcing/)

1. Department of the Interior FY 2006 instructions
2. Estimated DOI '06 FTE totals by bureau, as shown in FY07 budget
3. Revised function code definitions
4. Optional justification form
5. Function code crosswalk
6. Samples of IG/commercial reason code A justifications
7. OMB website URL: www.whitehouse.gov/omb/procurement/fair-index.html